

JENNIFER DUNN

81 H DISTRICT, WASHINGTON

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September 24, 2003

VICE CHAIR SECRETARY
FEDERAL MARITIME COMM

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Bryant L. VanBrakle

Secretary

Federal Maritime Commission

800 North Capitol Street, NW

Washington, DC 20573

Dear Secretary VanBrakle:

It is my understanding that **UPS** has filed for an exemption from Non-Vessel Operating Common Carriers (NVOCCs) prohibition **from** entering into confidential contracts with their customers. Due to the operational characteristics of UPS, **I** am writing in regards to the UPS petition currently pending before the Federal Maritime Commission.

During the consideration of the Ocean Shipping Reform Act (**OSRA**) revisions of 1998, Congress **carefully** considered **all** aspects of the **ocean** shipping industry, including the role of NVOCCs. Based on the nature of **ocean** shipping at that time, Congress determined that NVOCCs should be regulated differently *than* vessel operators. In the late **1990s**, most NVOCCs were small enterprises that neither owned vessels nor the cargo being shipped. **In** order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.

UPS operates the most sophisticated, integrated, **intermodal** transportation network in the world, which includes air, rail, surface, and NVOCC transportation. Furthermore, UPS makes significant **annual** capital investments to its asset-based transportation infrastructure. These facts alone set **UPS** apart from the companies **that** first raised concerns about the regulatory status of NVOCCs.

While anticipating dramatic changes in the ocean shipping industry with the passage of **OSRA**, Congress did not contemplate how fast or how smoothly the market could adapt to these changes. By granting this petition, **the** FMC will **acknowledge** these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean-shipping consumers around the world.

I am **hopeful** the FMC will give the UPS petition its utmost consideration and render an equitable decision on this matter based upon the merits of the case.

Best regards,

JENNIFER DUNN

Member of Congress

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UNITED STATES CONGRESSWOMAN

8TH DISTRICT, WASHINGTON

JENNIFER DUNN

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<http://www.house.gov/dunn>TO: Secretary VanBrakleFAX NUMBER: 202-523-0014DATE: 9/24/03# of pages including this sheet: 2FROM: ☐ Representative Dunn☐ Lba LaBrache☐ Vergil Cabasco☒ Chris Miller☐ Allen Hager☐ Paul Schlegel☐ Angela Harper☐ a Yelena Vaynberg☐ Sarah Hildebraud☐ Nichole Robison☐ Danielle Holland☐ Jessica Rubie

Comments:

Please share with Secretary VanBrakle. A hard copy
will be delivered shortly

The information contained in this facsimile message is privileged and confidential information intended only for the use of the individual named above

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